



Your Retirement...

PENSION & BENEFIT UPDATES FOR RETIREES OF THE ARIZONA STATE RETIREMENT SYSTEM

2009 Retiree Open Enrollment

Enrollment Period for ASRS Health Insurance Begins October 20th

Dear ASRS Retiree:

The annual Open Enrollment period for the ASRS retiree health insurance program begins Monday, October 20 and ends Friday, November 14. The effective date of enrollment in, or changes to, your ASRS coverage is January 1, 2009.

Some welcomed news: Plan premiums will not increase and plan provisions will remain unchanged for 2009. If you wish to maintain your current ASRS medical and/or dental coverage through 2009, you do not need to do anything—your ASRS coverage will automatically carry forward to 2009.

This issue of *Your Retirement*—our second edition of this new newsletter—provides a wealth of information primarily on the ASRS health insurance program. Even more information is contained in your 2009 Open Enrollment packet. Although you may not need to make any changes to your health insurance coverage this Open Enrollment period, we encourage you to reacquaint yourself with the variety of benefit programs available to you, and to take advantage of the programs that are meaningful to you.

Your Open Enrollment packet contains this newsletter, the 2009 ASRS Open Enrollment Guide, an ASRS Enrollment Application and a pre-addressed

return envelope, and, if you are Medicare-eligible, a Statement of Understanding. Again, if you are happy with your present ASRS coverage, or the coverage you have through your employer's plan or any other private coverage you may have, you do not need to do anything with this packet. We would suggest, however, that you keep the Open Enrollment Guide and other materials for future reference.

In addition to the annual Open Enrollment period, you may at some point be eligible to enroll or change coverage based upon a "qualifying event." For details, please see the article on page 2 of this newsletter.

Please note: New ID cards will not be issued for either PacifiCare's medical or Assurant's dental plans for members who continue their enrollment in these plans. Your current cards will continue for 2009. New enrollees and those who make changes to existing coverage during the Open Enrollment period will receive new ID cards in the mail no later than the end of the year.

For more information, contact the ASRS Member Advisory Center. See page 8 for contact information. ■


Paul Matson, Director

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What Is a Qualifying Event?

A “qualifying event” permits ASRS retired or disabled members to make certain mid-year changes to their benefits coverage. If you have a qualifying event and want to enroll or are required to make a change in your coverage or benefit plan, you must submit a completed ASRS enrollment form within 31 days of the event to request a change.

Following is a partial list of eligible qualifying events:

- **Change in member’s marital status**, such as marriage, divorce, legal separation, annulment, death of spouse. Under such conditions, you may wish to enroll yourself and/or add or delete a spouse.
- **Change in member’s primary residence**, causing a change in benefit plan availability. Under such conditions, you may need to change medical and/or dental plans.
- **Eligibility for Medicare** of yourself, spouse or dependent child. Under such conditions you may wish to enroll yourself and add your eligible dependents in a medical and/or dental plan or, if enrolled, change medical plan of affected person.
- **A significant change in a spouse’s group benefits or participating employer’s group plan** that affects cost or coverage. Under such conditions, you may wish to enroll yourself in the ASRS plan if you are enrolled in your spouse’s group benefit plan and/or add or delete eligible dependents.

Remember that enrollment in an ASRS retiree health insurance plan is never retroactive. If you wish to enroll or make a change, complete the enrollment process prior to the effective date of your qualifying event. ■

Domestic Partners

ASRS Health Insurance Coverage Now Available

Effective January 1, 2009, the State of Arizona will implement new eligibility guidelines that will extend health insurance benefits to an eligible member’s domestic partner. As a result, the ASRS will now offer medical and dental coverage to opposite-gender and same-gender domestic partners and their eligible dependent children.

To obtain these benefits, your partner must meet the Arizona Department of Administration’s (ADOA) definition of a domestic partner. A domestic partnership is a legal or personal relationship between two individuals who live together and share a common domestic life but are neither joined by a traditional marriage nor a civil union. To add a domestic partner to your coverage you must complete the Qualified Domestic Partner Certification packet. This packet includes the Qualified Domestic Partner Affidavit, Declaration of Tax Status and a Worksheet for Determining Dependent Status.



Before completing the paperwork and submitting it to the ASRS, it is best if you first review the eligibility requirements. Be sure to return the forms (excluding the Worksheet) to the ASRS, along with a completed enrollment form by November 14, 2008. The domestic partner paperwork must be notarized. Do not assume coverage is in effect until you receive notice of approval from the ASRS. Questions regarding the tax implications should be directed to your personal tax consultant or attorney.

The packet can be obtained by contacting the ASRS Member Advisory Center. See page 8 for our contact information. ■

Prescription Drug Mail Order Service *by Prescription Solutions*

The Mail Service Prescription Drug Program through Prescription Solutions Mail Service Pharmacy makes it easy for you to receive your maintenance medications while saving you time and money. You get the same, high-quality prescriptions, dispensed by registered pharmacists, without leaving your home!

With Mail Service Prescription Drug Program, you pay less for each prescription. You can receive up to a 90-day supply for only two copayments. Just ask your doctor to prescribe up to a 90-day supply, plus refills.

Each order is processed separately by a licensed pharmacist backed by a sophisticated computerized quality control system, which will help you avoid harmful drug interactions. If there are any questions,

Prescription Solutions will call your physician.

When you receive your prescription, you'll get detailed personalized instructions that tell you how to take it, possible side effects, and any other pertinent information. If you have any questions a Prescription Solutions registered pharmacist is just a phone call away.

Ordering is easy! Simply call this toll-free number: (800) 562-6223. Prescription Solutions Mail Service Pharmacy will get your new or current prescription straight from your doctor. Just provide your prescription information along with the name and phone number of your doctor. Refills can be ordered online at www.RxSolutions.com or by phone. ■

9 Out of 10 Retirees Are Doing It... *How About You?*

Direct deposit is a service that allows you to have your retirement benefit check automatically deposited into your account at a financial institution of your choice.

Nine out of 10 ASRS retirees receive their monthly benefit via direct deposit. If you do not, why not sign up today?

Why Use Direct Deposit?

- **It's Safe and Secure!** Your benefit check can be lost, stolen or delayed in the mail for any number of reasons. With direct deposit, your benefit is safely deposited into your account giving you peace of mind.
- **It's Confidential!** No one else sees your deposit amount but you. Plus, each month you'll receive a "Direct Deposit Account Summary" notice in the mail for your personal records.
- **It's Reliable!** Direct deposit is completely automatic, so you can be sure your benefit will be accurately credited to your account each month. No mail delays will keep you from

getting your benefit on time.

- **It's Quick, Convenient and Free!** No long lines at the bank, no deposit slips to fill out. And direct deposit is a free service!

You can also opt-out of receiving your monthly direct deposit account statements in the mail. The ASRS spends more than \$35,000 each month to mail these statements. You can help the ASRS save money, and the environment, by going paperless! Your monthly statements are available for review on-line should you wish to review them.

You can sign up for direct deposit and/or opt out of receiving direct deposit statements in the mail by logging on to the secure section of the ASRS website. You may create your own ASRS homepage by logging into the section on the lower left side of the ASRS homepage at www.azasrs.gov.

Questions?

Just AskMac! See page 8 for our contact information. ■

Assurant Dental Plans *Ways to Save!*

Whether you are enrolled in the prepaid dental plan or in either of the two indemnity dental plans, Assurant Employee Benefits, the ASRS dental plans provider, wants you to save money on your dental needs.

Enrollment in Assurant's prepaid dental plan offers ASRS retirees and eligible dependents a way to save money when the services of a dental specialist are needed through its Specialty Benefit Amendment.

It's also important to remember that such dental specialist services do not require a referral from your primary care dentist.

This is how the Specialty Benefit Amendment (SBA) in the Prepaid Dental Plan works:

First, let's find an SBA Specialist. If you have a recent provider directory, dentists who are SBA Specialists are indicated with "SBA". To get the most up to date list, you may also visit the website at www.assurantemployeebenefits.com, click on

"Find a Dentist" under the For Members tab on the left side of the screen. Scroll down and select "Heritage Series" under the Prepaid/Managed Care Plans title. Add your state of residence. On the next screen, add your zip code, and state again, and under the drop down box for Specialty, select SBA Specialists. Depending on the mileage parameter you select, the names, locations, and dental specialties of SBA Specialists will appear. If you need additional assistance in finding an SBA Specialist, please call Assurant's Customer Service at (800) 443-2995.

If you use an SBA Specialist for a service listed on the SBA Copayment Schedule for the Heritage Series, you will pay only the Member Copayment shown in the SBA Plan Specialist Copayment column at the time of the dental service. Your copayment schedule is included in your Evidence of Coverage and mailed to you with your ID card. If you do not have a copy of the schedule, please contact Assurant's Customer Service at the number above to request a copy. *(continued on page 5)*

What is Direct Billing? *A Question & Answer With PacifiCare and Assurant*

Direct billing is the procedure used by ASRS medical and dental providers – PacifiCare and Assurant – to inform and bill members enrolled in their respective plans whose monthly pension checks do not have sufficient funds to cover the insurance premiums. This affects only a small portion of ASRS retirees, survivor beneficiaries or long term disability members.

When will I receive a Direct Billing statement?

PACIFICARE: Monthly statements are mailed on the third business day of each month for the prior month's coverage. Payments are due no later than the 25th of the month in which the statements are mailed. Members can pay by check or automatic deductions. Payments received via automatic deductions are deducted from the member's account no later than the 7th of each month.

ASSURANT: Monthly statements are mailed on the fifth business day of each month for the following month's coverage. If you have payments due for the previous month(s), those payment amounts will be included with your first month's direct billing statement. Payments are due no later than the 20th of the month in which the statements are mailed. Monthly payments can be made by credit card, check or money order. *(continued on page 5)*

(Assurant Dental Plan, continued from page 4)

All other services obtained from an SBA Plan Specialist that are not listed on the SBA Plan Specialist Copayment schedule, and all services obtained from a non-SBA Plan Specialist (a specialist who is part of the plan provider network but does not accept SBA copayments), will be provided to you at a reduction in that Plan Specialist's normal retail charges. A 15% reduction applies if the Plan Specialist is an endodontist. A 25% reduction applies if that Plan Specialist is any other type of specialist, such as an orthodontist or periodontist. You will be responsible for paying the entire reduced charge at the time of the service or in accordance with that Plan Specialist's billing procedures.

If you are enrolled in either Assurant indemnity dental plan, high or low option, you will spend less for your dental treatments and services by using an Assurant Dental Health Alliance (DHA) network dentist who has agreed to provide all your dental care at his or her DHA discounted fees. By using a DHA network dentist, Assurant's payment and

your coinsurance plus any applicable deductible will be deemed payment in full if the procedure performed is a covered benefit. For those situations where the dental procedure performed is not covered by the dental plan, you will pay the DHA dentist's discounted fee for the specific procedure(s) performed. For example, services not covered by your Assurant indemnity dental plan, such as cosmetic procedures and/or additional cleanings, are offered at reduced fees by a DHA network dentist.

You may locate a DHA network dentist in your area by accessing the web at www.assurantemployeebenefits.com and using the same "Find a Dentist" method as outlined above for the prepaid dental plan. But, instead of selecting "Heritage Series", you would select the first DHA category. If you place your cursor over the DHA letters, the words "DHA Dental Health Alliance" appear on the right. Selecting that allows you to proceed in locating an appropriate DHA network dentist for your dental needs. If you do not have access to a computer, call DHA at (800) 985-9895 to find the most convenient DHA dentist. ■

(Direct Billing Q&A, continued from page 4)

What happens if I don't pay on time?

PACIFICARE: All members who are 30 days past due will receive a Notice of Delinquency letter. Members who do not bring their account current will be referred to ASRS for further collection efforts.

The ASRS will send out a Notice of Termination letter to any member who has received a Notice of Delinquency letter but has not sent in payment by the due date. PacificCare will notify the ASRS of any member who has not paid by the due date. The member's medical coverage will be terminated as of the date indicated in the Notice of Termination letter if no payment is made.

ASSURANT: All members who are 30 days past due will receive a Notice of Termination letter from Assurant Employee Benefits. The account may be reinstated when all premiums are paid in full, with approval from ASRS.

Will I be able to re-enroll if I am terminated for Non Payment of premiums?

If you have paid your past due amount in full, you will be eligible to re-enroll with medical and/or dental coverage at Open Enrollment or another Qualifying Event with approval from the ASRS. If you have not paid your past due amount in full, you have forfeited your rights to medical and/or dental coverage through the ASRS until you have paid your account in full. ■

Medicare Q & A

QUESTION: I am enrolled in an ASRS Medicare eligible medical plan. What do I need to know about Medicare to keep my ASRS coverage?

ANSWER: Enrollment in an ASRS Medicare eligible medical plan, such as MedicareComplete or Senior Supplement plans, is contingent upon the ASRS member being enrolled in both Medicare Parts A and B. If an ASRS member is not eligible for Medicare and attains age 65, continued enrollment in the non-Medicare ASRS medical plan – either HMO, PPO, or Indemnity plan – is permitted, but the eligible premium benefit reduces to the amount applicable to an age-65 member. Obtaining Part A or B within a reasonable time after reaching age 65 will be required for continued participation in the ASRS retiree medical program.

For Senior Supplement plan members, Medicare is primary and Senior Supplement plan is secondary.

The MedicareComplete plan is officially a Medicare Advantage HMO (Part C) Plan in which Medicare is neither primary nor secondary. Medicare holds the plan (SecureHorizons) fully responsible for primary and secondary payments of Medicare-eligible and any added benefits. That is why the member signs a Statement of Understanding (SOU), which gives Medicare authorization to give full “risk” over to SecureHorizons to basically act as Medicare while the member is enrolled. During this time, Medicare does not receive any claims. All benefits are administered and paid by SecureHorizons. Medicare gives SecureHorizons a reimbursement amount per member to cover the costs. SecureHorizons, as sole payer, manages the costs by restricting use to only contracted providers (except for urgent or emergency care) and the PCP referral policy that is in place for most specialist visits.

IMPORTANT: If you enroll in a separate Medicare Part D prescription drug plan, you will be disenrolled from the ASRS Medicare eligible medical plan (either MedicareComplete or Senior Supplement plans) in which you are enrolled because Medicare does not permit enrollment in two Part D

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Non-Medicare Retirees Info

For Non-Medicare Retirees Who Reside Outside AZ and are enrolled in the Indemnity Medical Plan

As of January 1, 2009, ASRS non-Medicare retirees who reside outside Arizona and are enrolled in the Indemnity Medical Plan may receive services from a contracted UnitedHealthcare (UHC) Choice Plus Network provider. Your claim would then be processed at the lower UHC contracted rate rather than at the generally higher Usual, Customary and Reasonable (UCR) rate. Although you are not limited to the UHC providers, using contracted providers can ultimately save you money!

To find a UHC Choice Plus Network provider in your area, please call Customer Service at (800) 347-8600 or simply ask your provider if they participate in the UnitedHealthcare Choice Plus Network when making your appointment.

Or, you can follow these easy steps on the UHC website at www.uhc.com:

1. At top of the home page, select “Find a Physician”
2. Under General Directory, select “Find a Physician”
3. Under “Select a Search Type” choose “Search for a Physician” and press the continue button.
4. Select “Search for a Physician by name, location, and/or specialty”
5. Scrolling down, under Select a Plan, highlight United Healthcare Choice Plus from the drop down box.
6. Next, if you are unsure of a provider’s name or just want to see the list of eligible providers, type in the city and state.
7. You may disregard the optional search criteria related to gender and language spoken, if you wish, then click “Continue”
8. Next, select the type of provider or specialty you are looking for, such as cardiology or primary care physician (PCP), and click “Continue”
9. This brings up the providers as defined by your search criteria.

Using these simple steps to search for a doctor or network can help you save! ■

When You're the Caregiver, Who Takes Care of You?

Evercare Solutions for Caregivers... when it comes to aging relatives, you don't have to go it alone.

As part of your ASRS PacifiCare / Secure-Horizons medical plan benefits, you can receive assistance for caring for a spouse, relative or friend in need.

Evercare™ Solutions for Caregivers helps provide much-needed support for caregivers. Care Managers will visit the home of a relative or friend, whether they're in town or across the country. They provide an objective assessment of their situation, develop a care plan and discuss recommendations with everyone involved. Evercare may then coordinate local resources to help make sure the person receiving care is getting the care they need.

According to the U.S. Administration on Aging, most older persons with long-term care needs—as much as 65 percent—rely exclusively on family and friends to provide assistance. Another 30 percent will supplement family care with assistance from paid providers.

Are you one of those caregivers? Do you donate a great deal of your time and energy to someone else's needs? Do you often ignore your own needs?

The Care Advocate Nurses at Evercare specialize in understanding caregiver concerns around the aging process and help the family identify their options and coordinate services and programs to maximize



the independence, enhance the health and well being, and preserve the dignity of their aging relatives. Evercare Solutions for Caregivers is not limited to health care. Their nationwide services include:

- Evaluating the situation and needs of the aging family member
- Developing a personal care plan
- Locating and coordinating community resources
- Understanding what services are covered by Medicare and other payer sources
- Helping get access to care
- Identifying financial, estate and insurance options
- Facilitating communication between family and health care professionals
- Understanding the effects of taking multiple prescription drugs

No matter what issues are affecting your loved one's ability to manage independently, Evercare Solutions for Caregivers will help you find solutions.

For more information, visit their website at www.evercarehealthplans.com/caregivers or call toll-free at (866) 896-1895. ■

(Medicare Q & A, continued from page 6)

plans simultaneously. Your ASRS Medicare eligible medical plans provide prescription drug coverage that is equal or better than Medicare's prescription drug plan. You should not enroll in a separate Part D plan.

For more information, visit www.medicare.gov on the web or call (800) MEDICARE (800-633-4227). If you don't have a computer, your local library or senior center may be able to assist you in using the internet. Your local Social Security Administration office also stands ready to help you. ■



Arizona State Retirement System

Your Retirement

PO Box 33910

Phoenix AZ 85067-3910

Have a question?

Ask MAC!

Online: www.azasrs.gov

Email: AskMAC@azasrs.gov

Phoenix Office:

3300 North Central Avenue
PO Box 33910
Phoenix AZ 85067-3910
(602) 240-2000

Tucson Office:

7660 East Broadway Boulevard
Suite 108
Tucson AZ 85710-3776
(520) 239-3100

Outside Metro Areas:

Toll-free (800) 621-3778

TTY For Hearing Impaired:

(602) 240-5333

The Value of Your Defined Benefit Pension Plan

Although the defined benefit retirement check that ASRS retirees receive each month from the ASRS is guaranteed to continue for a lifetime, the payments are not designed to be the sole source of retirement income. Indeed, state statutes define the very purpose of the ASRS as to “provide a base retirement that is less than 100 percent of a member’s post-retirement income requirements,” with Social Security and personal savings expected to contribute toward total post-retirement income needs.

For most retirees, however, their ASRS monthly benefit is perhaps the most important source of regular income, along with Social Security. After all, ASRS retirees worked hard to earn their lifetime benefit!

But did you know that, on average, our defined benefit plan retirees will receive the full value of their account balance accumulated from their personal contributions while working within 48 months of retirement?

That leaves the potential for many years of guaranteed monthly benefit payments still to come. So, where does the ASRS get the funds to continue its obligation of providing lifelong benefits? Investment income generated by the ASRS trust fund accounts for approximately 75 percent of the money needed to provide monthly pension income to ASRS retirees. Employee and employer contributions account for the remaining 25 percent to also fund pension benefits. And, unlike an account balance in a 401(k) or other defined contribution savings plan, the retirement benefit from the ASRS defined benefit plan can never be diminished. That’s a guarantee set in Arizona law.

The ASRS wants you to have confidence that your retirement benefit is safe, secure and guaranteed to be there for you for your lifetime, and, depending on the benefit option you select at retirement, for the lifetime of your beneficiary as well. ■